

Kindly enter the following amendments to the claims:

Claims 1-43 (cancelled)

Claim 44 (currently amended): A system to ~~manage intra-day trading of~~ calculate a hedging basket of securities for an actively managed fund on an exchange comprising:

a computer system including a processor and memory to execute computer instructions and storage to store a computer program product with instructions for causing a computer to extract factor information from the actively managed fund and apply factor analysis to the extracted factor information to produce a the hedging basket of securities, wherein the hedging basket of securities tracks the actively managed fund closely enough over the course of a trading day for a market-specialist to allow the a trader market-specialist to manage investment risk in the actively managed fund, ~~wherein and~~ the hedging basket of securities does not reveal the fund assets; and

a connection to a communications network, wherein the computer system sends the factor information or the hedging basket of securities to the trader.

~~a computer system programmed to allow trades of the fund shares between buyers and sellers through the specialist at a predetermined price based on a net asset value proxy for fund.~~

Claim 45 (canceled).

Claim 46 (previously presented): The system of claim ~~45~~ 44 wherein the factors that are examined by factor analysis include factors related to measures of economic activity or inflation rates.

Claim 47 (previously presented): The system of claim 44 wherein ~~the computer program product comprises instructions for causing a computer to determine~~ an intra-day net asset value proxy for the actively managed fund is calculated by applying prices ~~received from a quote feed~~ to the security positions in the actively managed fund portfolio as of the close of trading on the prior day.

Claim 48 (currently amended): The system of claim ~~45~~ 44 further comprising:

a second computer system which is a trusted computer system including a second processor and second memory to execute computer instructions and storage to store a computer program product with instructions for causing a computer to determine an intra-day net asset value proxy for the fund by applying prices ~~received from a quote feed~~ to security positions in the fund portfolio as of the close of trading on the prior day.

Claim 49 (currently amended): A method of managing investment risk during intra-day trading in shares or derivative instruments of an actively managed fund comprising:

~~using a computer means to manage~~ hedging investment risk taken in the shares or derivative instruments of the actively managed fund using a hedging basket of securities that tracks the actively managed fund or derivatives, wherein the hedging basket of securities is produced using a computer programmed to extract factor information from the actively managed fund and to apply factor analysis to the extracted factor information, and the hedging basket of securities does not reveal the fund assets; and

trading the fund shares or derivative instruments **by a computer programmed to trade** through negotiated pricing of the fund shares or derivative instruments as determined between buyers and sellers of shares in or derivative instruments of the actively managed fund.

Claim 50 (previously presented): The method of claim 49 wherein the value of the hedging basket of securities substantially tracks the value of the actively managed fund.

Claim 51 (canceled).

Claim 52 (previously presented): The method of claim ~~51~~ **49** wherein the factors that are examined by factor analysis include factors related to economic activity or inflation rates.

Claim 53 (previously presented): The method of claim 49 wherein pricing of the fund shares or derivative instruments is based on a calculated intra-day net asset value proxy for the actively managed fund.

Claim 54 (previously presented): The method of claim 49 further comprising the step of determining an intra-day net asset value proxy for the fund by applying prices ~~received from a quote-feed~~ to security positions in the fund portfolio as of the close of trading on the prior day.

Claim 55 (previously presented): The method of claim 54 wherein the step of determining the intra-day net asset value proxy occurs in a trusted computer system.

Claim 56 (currently amended): A method of intra-day trading of shares or derivative instruments of an actively managed fund, the method comprising:

~~using a computer to calculate~~ calculating an intra-day net asset value proxy for the actively managed fund shares using a computer programmed to perform the step of by applying prices ~~received from a quote feed~~ to security positions in the fund portfolio, wherein the intra-day net asset value proxy does not reveal the fund assets; and

trading the fund shares or derivative instruments by a computer programmed to trade based on negotiated pricing of the fund shares or derivative instruments as determined by the computer-calculated intra-day net asset value proxy for the actively managed fund.

Claim 57 (previously presented): The method of claim 56 wherein trading the shares or derivative instruments occurs on a securities exchange or market entity.

Claim 58 (currently amended): The method of claim 56 wherein trading the shares or derivative instruments occurs through a specialist or market maker and wherein the **method further comprises:**

using specialist or market maker uses a determined hedging basket of securities that track the actively managed fund or derivatives to allow management of investment risk in shares of the actively managed fund, with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker.

Claim 59 (currently amended): The method of claim 58 wherein trading occurs in shares through a specialist or market maker and wherein the **method further comprises:**

using specialist or market maker uses a determined hedging basket of securities that track the actively managed fund to allow management of investment risk in shares of the actively

managed fund with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker.

Claim 60 (currently amended): The method of claim 58 wherein trading occurs in derivative instruments through a specialist or market maker and wherein the ~~method further comprises:~~

using specialist or market maker uses a determined hedging basket of securities to allow management of investment risk in derivatives with the specialist or market maker hedging positions using the determined hedging basket of securities to offset a position taken by the specialist or market maker.

Claim 61 (previously presented): The method of claim 56 wherein the step of calculating the intra-day net asset value is executed within a trusted system and the method further comprises the step of adjusting the fund portfolio to reflect any transactions made on the prior trading day to take into consideration dividend credits and expenses attributable to the current trading day.

Claim 62 (previously presented): The method of claim 61 wherein the trusted system is a physical hardware and operating system configuration in which domain configuration and trust relationships are established to control access to a decrypted portfolio file representing positions taken in the actively managed fund.

Claim 63 (previously presented): The method of claim 56 wherein the step of calculating the intra-day net asset value is executed within a trusted system, and the method further comprising disseminating the intra-day net asset value proxy for the actively managed fund on a periodic basis throughout a trading day.

Claim 64 (currently amended): A method of intra-day trading on an exchange or market in shares or derivative instruments of an actively managed fund, the method comprising:

~~using a computer to reference~~ referencing a calculated intra-day net asset value proxy for the actively managed fund by a computer, wherein the net asset value proxy for the actively managed fund does not reveal the assets of the actively managed fund; and

trading the fund shares or derivative instruments by a computer programmed to trade through negotiated pricing of the fund shares or derivative instruments by buyers and sellers of shares in or derivative instruments of the fund based on prices posted for the calculated intra-day net asset value proxy for the actively managed fund.

Claim 65 (previously presented): The method of claim 66 wherein trading the fund shares or derivative instruments occurs through a specialist or market maker that hedges positions using the determined hedging basket of securities.

Claim 66 (currently amended): The method of claim 64 further comprising:

~~using a computer to apply~~ applying factor analysis by a computer to produce a hedging portfolio that tracks the portfolio of financial instruments to hedge positions taken by participants that trade in shares or derivative instruments of the actively managed fund.

Claim 67 (previously presented): The method of claim 64 wherein the intra-day net asset value proxy is calculated by applying prices ~~received from a quote feed~~ to security positions in the fund portfolio as of the close of trading on the prior day.

Claim 68 (previously presented): The method of claim 64 wherein the step of determining the intra-day net asset value proxy occurs in a trusted computer system.

Claims 69-71 (canceled).